

Minutes of the Finance Committee

Wednesday, September 7, 2005

Chair Haukohl called the meeting to order at 8:45 a.m.

Present: Supervisors Pat Haukohl (Chair), Genia Bruce, Bonnie Morris, Don Broesch, and Joe Marchese. Ken Herro arrived at 9:00 a.m. and left at 1:00 p.m. **Absent:** Jim Behrend.

Also Present: Legislative Policy Advisor Mark Mader, Charlene Lemoine of the Waukesha County Environmental Action League (WEAL), Senior Financial Analyst Clara Daniels, Enterprise Operations Manager Pete Pulos, UW-Extension Director Marcia Jante, Sheriff's Business Manager Tom Koth, Deputy Inspector Steve Marks, Collections & Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, County Board Supervisor Bill Kramer, Administration Director Norm Cummings, Budget Manager Keith Swartz, Parks & Land Use Director Dale Shaver, Public Works Director Rich Bolte, Health & Human Services Director Peter Schuler, Clinical Services Manager Mike DeMares, Accounting Services Manager Larry Dahl, and Labor Relations Manager Jim Richter. Recorded by Mary Pedersen, Legislative Associate, County Board Office.

Public Comment

Charlene Lemoine of WEAL spoke against borrowing Material Recycling funds to fund a portion of the 2006 capital budget, as authorized in ordinance 160-O-046 which is on this agenda for consideration. She distributed copies of a letter to County Board Chair Jim Dwyer outlining their concerns which include potential market fluctuations and state recycling fee changes. She did not feel this was in the best interests of Waukesha County.

Approve Minutes of 8-17-05 & 8-23-05

MOTION: Marchese moved, second by Broesch to approve the minutes of August 17th. Motion carried 5-0.

MOTION: Marchese moved, second by Bruce to approve the minutes of August 23rd. Motion carried 5-0.

Schedule Next Finance Committee Meeting Dates

Haukohl advised of the following future meeting dates: October 5, 11 (public hearing), 12, 14, 17, 19, and 24. All meetings, except the 11th, are expected to go into the afternoon. Broesch said he would not be able to attend on the 14th and Bruce said she may have to leave at 1 p.m. that day.

Announcements

Marchese said he attended the recent Public Works Committee meeting at which they discussed the crane at the Highway Building. They were informed by staff that they had to wait for engineering and they had to wait because the price of steel was so high. The price has gone down and things are moving forward.

The committee recessed at 8:55 a.m. to attend County Board Chair Dwyer's press conference to announce his choice for interim County Executive and reconvened at 9:20 a.m.

Herro arrived at 9:00 a.m.

Ordinance 160-O-047: Authorize the Waukesha County U.W. Extension Office to Enter into a Subcontractor Agreement with Medina Center, Inc. to Serve as Fiscal / Reporting Agent for the Strengthening Families Community Development Block Grant

Jante discussed the ordinance which authorizes the Waukesha County U.W. Extension office to receive and appropriate \$10,000 of subcontractor grant funding to act as agent of the Medina Center, Inc. in administering the Strengthening Families Community Development Block Grant. The department will provide parents and their youth with new knowledge and skills that enhance parent and youth communications and relationships. The total cost of the program is estimated at \$13,160 of which \$10,000 will be covered by the grant and \$3,160 will come in the form of local in-kind funding: County services funded with County tax levy valued at \$524 from within the existing 2005 budget appropriation, University of Wisconsin in-kind staff support valued at \$665, and other collaborator and volunteer in-kind support valued at \$1,971.

MOTION: Marchese moved, second by Bruce to approve ordinance 160-O-047. Motion carried 6-0.

Ordinance 160-O-048: Amend 2005 Sheriff's Department Budget Expenditure of Seized Funds – September 2005

Marks and Koth discussed this ordinance as outlined which appropriates \$15,464 of seized assets forfeiture funding received in 2004 and \$11,536 seized in 2005 for the purpose of complying with a recent Wisconsin State Supreme Court ruling which mandates that all juvenile interviews / interrogations be recorded. Staff are proposing to purchase 50 state-of-the-art digital tape recorders which will include all maintenance and training costs and software upgrades which will be compatible with current equipment. The department will absorb the cost of operating the units and managing these recordings within its existing operating budget. Marks said the Sheriff is part of the Avery Taskforce and noted that the purchase of additional tape recording equipment for adult interviews / interrogations will come later because of the cost.

MOTION: Bruce moved, second by Marchese to approve ordinance 160-O-048. Motion carried 6-0.

2nd Quarter Status Report on Proprietary Funds

Sander and Hein were present to discuss the County's various enterprise funds and internal service funds as outlined in their report. Those funds that showed a net income at the end of the 2nd quarter of 2005 were the Naga-Waukee Golf Course (\$34,118); Materials Recycling (\$1,292,702); Airport (\$15,782); Central Fleet (\$30,975); Radio Services (\$478,034); Communications (\$101,221); and Collections (\$171,586). Those that showed a net loss were the Wanaki Golf Course (-\$35,957); Moor Downs Golf Course (-\$65,979); Naga-Waukee Ice Arena (-\$40,089); Eble Park Ice Arena (-\$15,996); Vehicle / Equipment Replacement (-\$75,463); Records Management (-\$122,213); Risk Management / Worker's Compensation (-\$374,436); and End User Technology (-253,078).

2nd Quarter Status Report on Collections

Sander discussed his report entitled "Collections Division Delinquent Collection / Referral Analysis: 2005 Six Month Report" as outlined. Total six-month collections increased 5.1% from 2004 and increased 7.6% from 2003. Tax intercept collections totaled \$700,125 through 6-30-05 versus \$750,311 through 6-30-04. A total of 2,856 tax intercept payments were received on accounts in 2005 (3,161 in 2004). New revenue sources identified / implemented by

Collections have generated \$647,534 of additional revenues for Waukesha County in the first six months of 2005. A total of \$1,198,843 in collections will be retained by the County.

Ordinance 160-O-046: Authorize \$2 million Loan from Materials Recovery Fund Cash Balance to Fund a Portion of 2006 Capital Budget

Cummings and Shaver discussed this ordinance which authorizes the transfer of \$2,000,000 from the Materials Recycling Fund (MRF) to the 2006 Capital Projects Fund for the purpose of reducing capital borrowing by that amount during 2006. The rate paid on the 2005 borrowing was 3.8% and the rate currently being earned on the County's investment portfolio is approximately 3.5%. Based on that 0.3% difference, the estimated annual savings from this action would be about \$6,000. Over the ten-year life of a County note, the total savings would be about \$60,000. Shaver said the recycling program has been extremely successful and the cash reserve is more than what's needed to pay for improvements, depreciation, and potential market dips.

Cummings said the transfer between the funds would take the form of an interest-free loan from the MRF Fund to the General Fund. The repayment of the loan would commence when one of three conditions apply: the Department of Administration projects that the Fund's resources are insufficient to sustain the next three years of dividends to the charter municipalities, the State Recycling Grant is eliminated, and / or ten years have passed from the transfer date. This ordinance also allows the department to set aside reserves in the general fund for the payback. Cummings noted they are looking to keep this fund at a manageable level, therefore, they may do this again in the future.

MOTION: Morris moved, second by Broesch to approve ordinance 160-O-046. Motion carried 6-0.

Review the 2006-2010 County Executive Capital Projects Plan, Projects #48-#57

Cummings, Biagioli, and Sander were present to discuss the following capital projects as outlined in the 2006-2010 Capital Projects Plan: Implement HHS Automated System, Electronic Document Management System, Upgrade Collections (CUBS) System, Citrix Server Development, Fiber & Wireless to County Facilities, Telecommunications System, Countywide Cashiering, Financial Operations & Management System Study, Re-engineering IT Infrastructure, and Consolidation of Network Operating Systems. Cummings distributed copies of "Electronic Document Management Capital Project – Capital Expenditures."

All projects in the 2006-2010 plan will be discussed in detail and considered by the Executive Committee at their September 12 and 15 meetings. Haukohl had concerns under the revenues section of the fiber & wireless project. She will bring up in Executive Committee the possibility of this being a separate capital project so it's easier to understand. With regards to escalating costs of the Telecommunications System project, Mader said it was important at some point to look into making sure the County is recovering all outside costs.

Annual Report on County Equalized Property Values

Cummings distributed information from the Wisconsin Department of Revenue on statewide equalized values. For 2005, Waukesha County had the second highest tax base in the state and ranked 15th in growth in equalized value. The 2005 equalized value for Waukesha County is \$45,451,031,200 compared to \$40,939,573,700 in 2004. Cummings went on to explain 2005 equalized value reduced by TID value increment as outlined in his handout.

Herro left the meeting at 1:00 p.m. The committee recessed at 1:00 p.m. and reconvened at 1:35 p.m. with the exception of Herro and Broesch.

Annual Update on the Contingency Fund

Swartz said nothing has been tapped from the contingency fund this year and the balance remains at \$1,350,000. However, the special election for County Executive will require contingency funds, about \$100,000 according to County Clerk Kathy Nickolaus. Haukohl asked that this be brought forward in the form of a fund transfer whereby Swartz suggested she make this request to Nickolaus. Swartz noted that some Oswald re-trial costs will also require contingency funds and additional funds may also be needed for increased fuel costs. Haukohl noted and Swartz concurred that the unanticipated capital project for Mental Health Center repairs and upgrades (ordinance 150-O-050) could also require contingency funds in the future.

State Tax Levy Freeze - Levy Increase Limit

Cummings distributed a memo from the director of the State Legislative Fiscal Bureau to members of the Wisconsin Legislature regarding a comparison of potential impact of fiscal controls under Enrolled AB 100 (the tax freeze passed by the legislature) and Act 25 (where the governor made line-item vetoes and made changes to the freeze). Cummings said the freeze by both the governor and the legislature would limit the county to its percentage increase in construction which is 2.8%. The governor vetoed the portion on debt service. The legislature exempted all budgeted debt service from anything issued prior to July 1, 2005. Cummings said in other words, if we are to pay more next year for debt service already in the budget, which we are, that would be exempted. However, future debt service would not be exempted. In fact, not only didn't they exempt it but you must have a referendum for any borrowing for your capital budget. The governor's version exempts all future debt. Cummings said the County's 2006 budget has met both the legislature's freeze and the governor's freeze. Next year, if the County Board wanted to be compliant with the legislature's freeze, even though not required, it could order a referendum on the capital budget.

Broesch returned at 1:48 p.m.

Annual Update on Grant / Sunset Positions

Swartz reviewed his annual tracking report of positions created by resolution or ordinance that include sunset clause language which links federal, state, municipal, contract, or user fee funding to positions authorized. The report included information on ordinance description, date adopted, position created, type of funding, and date terminated (if applicable). There are a total of 47 full-time, 11 part-time, and 6 extra help nutrition site managers that have a sunset clause associated with them. Swartz discussed the changes, which from year-to-year tend to be minimal.

Information Management Panel Report of 9-2-05

Bruce said besides what was heard today during the capital projects review, the panel, at their September 2nd meeting, heard a presentation on the Information Systems Division's restructuring plan scheduled for 2006.

Ordinance 150-O-050: Create Capital Project 200512 – Mental Health Center Safety and Security Upgrades

Bolte said state / federal inspectors recently inspected the Mental Health Center and found numerous violations which need to be in compliance. Some of them should have been done a

long time ago and others are new codes that became effective after the building was built. The work identified is estimated to cost about \$350,000, therefore, qualifying as a capital project. Schuler noted that grandfather clauses don't apply to hospital codes.

Bolte discussed the work to be done including firewalls, additional sprinklers and ventilation, negative pressure work, structural work, and electrical upgrades. Bolte said the state will be sending the County a letter giving us 10 days to comply which doesn't give us much time. The ordinance authorizes the use of \$350,000 of capital project fund balance to fund the expenditures. The original designers of the building are involved and will design the remediation work. Contracts will be brought forward to the Public Works Committee in the coming months for approval. Other issues that may become an issue later but aren't part of this ordinance include additional staff, guidelines and policies for food / nutrition services at the center.

MOTION: Marchese moved, second by Broesch to approve ordinance 160-O-050. Motion carried 5-0.

Ordinance 160-O-049: Employee Retention / Severance Salary and Benefits for 2006

Richter said the County Board has adopted similar ordinances in the two last years. The ordinance provides for limited severance benefits, basically allowing for some transition on the basis of pay and some continuation of health insurance, in the event somebody is laid off due to budget cuts. He said it is never the County's desire to lay anybody off and staff work very hard to find individuals other jobs within the County. However, this doesn't always occur which is when this ordinance would apply. Haukohl said she liked the tuition assistance component and felt this was a nice idea. Richter said money is budgeted each year for this purpose whether or not an individual is ever laid off.

MOTION: Bruce moved, second by Broesch to approve ordinance 160-O-049. Motion carried 5-0.

Ordinance 160-O-051: Ratification Of 2005 - 2006 – 2007 Waukesha County Professional Correctional Officer and Telecommunication Association Collective Bargaining Agreement

Richter said this ordinance is very similar to what the County Board recently approved for the deputy sheriffs. One major difference, however, is that this ordinance eliminates the Compcare HMO health insurance alternative, effective 1-1-06. This will result in significant cost savings for the County. There were also some changes associated with the funeral leave benefit. Richter advised of a typographical error on line 53: 2000 should read 2006.

MOTION: Morris moved, second by Broesch to approve ordinance 160-O-051. Motion carried 5-0.

MOTION: Bruce moved, second by Broesch to adjourn at 2:43 p.m. Motion carried 5-0.

Respectfully submitted,

Bonnie J. Morris
Secretary